INFORMATION LETTER

Not for Publication **NATIONAL CANNERS ASSOCIATION** For Members Only

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CANNERS have been notified by the Army to halt all purchases of V-boxes and sleeves because of the drastic reductions in set-asides on canned foods. Announcement of the War Department's policy as to future uses of V-boxes and sleeves is expected next week. The Association will keep the canning industry advised.

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Fiber shipping containers are now free of WPB control. Order L-317 has been revoked, effective August 22.

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CANNED TOMATOES delivered prior to July 5 will be ineligible for the increase in subsidy rates of 6 cents per dozen (basis No. 2's), according to an OES directive. Story on page 8747.

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The revocation of revised Ration Order 13 on August 15, 1945, which ended the rationing of processed foods, also ended all necessity for transfer of blue points and all record-keeping requirements on processed foods. The need for collection of points due, either current or delinquent, was terminated as of that date.

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CONSTRUCTION of canneries and commercial food freezing and food packing plants is now permitted without authorization by WPB through issuance of Direction 7 to L-41.

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Kraut packers are urged by USDA to take advantage of the record late summer and fall cabbage crop now moving to market. The crop is of high quality and is selling at support price levels. Although the Army set-aside on kraut has been reduced, kraut packers still will receive their full tin quotas established under M-81, WPB states.

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EMPLOYE DEFERMENTS—Selective Service has announced that the 17 Federal agencies having jurisdiction over employer-supported requests for deferment of registrants under 30 years of age have agreed to termination of the certification plan, effective September 15.

Canners Draft Postwar Plans

On their return from the 2-day holiday that followed Japan's acceptance of the peace terms, government officials immediately engaged in an intensive program of revision of wartime controls. The specially-called meeting of the National Canners Association Planning Committee was well timed to coincide with this work. It enabled the Committee members who were in Washington, August 18 through 20, to participate in conferences on numerous postwar matters directly affecting the operations of the canning industry. Representative officials of the war agencies handling these canning controls appeared on the 3-day program, making possible close consultation and mutual exchange of views between industry and Government. Attendance was practically 100 per cent.

An excellent example of the value of bringing the Planning Committee together at such a time is the matter of the subsidy contract for the 1945 canned vegetable support program. Terms and text of this contract had been drawn and were about to be issued. Following discussion at the meeting, and at the invitation of Department of Agriculture officials, a representative of the Association was permitted to review the contract. This consultative work is continuing for the purpose of setting up procedure that will result in a workable agreement.

Highlights of the Meeting

Following are some of the highlights of the Planning Committee sessions:

1. J. B. Hutson, Undersecretary of Agriculture and newly-designated Administrator of the Production and Marketing Administration, brought to the canners the first details of the reorganization of USDA, coming direct to the meeting from the press conference at which the new set-up was announced.

2. Disclosure that E. A. Meyer, former canner and well known to the industry through his efficient and sympathetic administration of several wartime offices, is to function as Director of the Fruit and Vegetable Branch, with full authority to handle all problems affecting the canning industry. In his new capacity, Mr. Meyer remained at the Saturday afternoon session to discuss with members of the Committee the outline of plans for subsidies, resale of surpluses, and other matters his office will handle.

3. Expression was made by Geoffrey Baker and Charles Carry, of the Office of Price Administration, that that agency desires to lift price controls as quickly as possible. On their part, canners, in an informal poll at the session they held on the 1945 price

regulation, voted almost unanimously against an immediate revocation of canned foods price ceilings, feeling that they should continue in effect for the time being to keep conditions stable during the period of war to peace transition. To allow more time for the computations that will be required under terms of the new price order, the OPA representatives offered to extend the period between issuance and effective date. The Committee moved, instead, to have the order brought out on schedule and at the earliest possible moment.

4. The proceedings disclosed that sugar and tin supply are still in tight supply. There is little promise of early relief, said Edward Pickett, Chief of the Sugar Rationing Unit, and Glenn Knaub, Administrator of M-81, respectively. Mr. Knaub reiterated that no change in M-81 will be made until completion of 6-weeks' survey of the tin supply. The Committee designated Oliver Willits to enlist the aid of the State Department in efforts to ensure the delivery of dredges and other equipment needed to put the Malayan Straits plants back into operation quickly.

5. The Committee launched action on a can size program in preparation for the time when the can size controls in M-81 will be removed. The N.C.A. Simplification of Container Committee was authorized to begin collection of data from canners which would determine just what sizes are needed for each commodity. Report on these findings is to be made to the next meeting of the Administrative Council and Board of Directors.

6. The reduced Army set-asides of canned fruits and vegetables were announced to the meeting by Major General Carl A. Hardigg, of the Quartermaster Corps, and his aides. (Detail of these reductions on page 8745.)

Canners Ask for Prompt Issuance of Postwar Regulations

The meeting of the Planning Committee was called to order by N.C.A. President Fred A Stare in the absence of Chairman Herbert F. Krimendahl, who was unable to be present the first day of the sessions.

Secretary Carlos Campbell detailed the purposes of the sessions and posted the members on the most recent developments in USDA reorganization, set-asides, the subsidy and other imminent developments. He met with pretty general agreement on the part of the canners that early information on these matters was extremely important.

Hutson Compliments Industry

Under Secretary of Agriculture Hutson, at the Saturday luncheon session, praised the canning industry for all-out production efforts and a high degree of cooperation with the Government in prosecution of the war. "You canners should be proud of your record," Mr. Hutson said. "You have kept your production up to a peak when we needed food most."

The canning industry was lauded by Mr. Hutson for its fair stand on the Government support program for canned foods. "Canners have not insisted that the Government support canned foods at ceiling prices, but have been willing to permit a fair per cent of the ceilings to be used as the Government's guarantee to purchase," he emphasized.

The reorganization of the Department of Agriculture was made, Mr. Hutson stated, to place full authority and responsibility for executing the Government food program in the hands of the various commodity branches. "Every effort will be made, both in Washington and in the field, to handle our food program on a commodity basis," Mr. Hutson said.

The reorganization definitely strengthens the authority of E. A. Meyer as Chief of the Fruit and Vegetable Branch. Mr. Hutson urged the canners to bring any problems they might have to Mr. Meyer's attention, since the branch chief will now have complete responsibility for all fruit and vegetable canning programs.

Under the new USDA set-up, much of the field work will be combined and directed through the State and County offices of the Agricultural Conservation Committee, Mr. Hutson explained. This step will place the Agricultural Adjustment Agency in complete charge of the USDA field organization.

On the subject of surplus food disposal, Mr. Hutson said that he did not think that the Government would have any surplus canned foods to release. He said USDA stocks of canned foods are exceedingly low. He further said that now the Army is in a position to anticipate all possible contingencies in planning its procurement.

Subsidies on most foods may be discontinued within the year, Mr. Hutson said, but support prices, at least on the Stegall commodities, may well continue for the next two or three years, or longer. The Agriculture official made it clear, however, that the USDA's postwar idea of supporting prices would not mean that the Government would have to buy every pound, every dozen, or every hamper of a commodity from every individual farmer during a glut season. He said USDA would support the market in the future by offering to buy only in the principal markets and that no attempt would be made to disrupt normal marketing or distribution.

Asked if USDA had given any thought to the possibility of foreign markets for canned foods, Mr. Hutson said the Department had not, but that it was ready to proceed with such a program if it could be ascertained if one was necessary or practicable at this time.

Following Mr. Hutson's address, Mr. Meyer thanked canners for their cooperation during the war era, and said he hoped this same working relationship would be continued into the postwar period. He stressed the need for the continuance of some sort of record-keeping, similar to that carried on during the war, so that both industry and Government will be in a position to know the status of canned food stocks at all times.

Before leaving the hotel to resume the meeting at Association headquarters, Secretary Campbell requested the USDA officials to use their influence to have the records of wartime foreign exports released to the industry. Mr. Campbell pointed out that these figures were published at regular intervals prior to the war, but that publication during the war was withheld for security reasons. He said he hoped these figures might be made available at an early date to enable canners engaged in foreign markets to have the opportunity to study the reports.

The Saturday afternoon session was held at Association headquarters with Mr. Meyer presiding, and with these members of his staff present for participation in the discussions: Leonard S. Fenn, Chief of the Vegetable Marketing Division, and Donald F. McMillan, Chief of the Fruit Marketing Division, and Clifford P. Sievertson and Bradford Armstrong of the Price Support and Procurement Branch.

Prevention of Surpluses

Mr. Meyer and his staff stressed that one of their policies would be to take steps, with industry cooperation, to prevent USDA having surpluses to sell. They want to see the packs handled where they are; not have them forced through a number of Government channels. "There will be some surplus," said Mr. Meyer, "but we want to keep from acquiring big stocks to sell." The major surplus problem in peas, it was believed, would be in No. 10's.

On Sunday the Committee transferred their sessions to the Statler

Hotel and gave the entire program over to discussion of the pending 1945 pricing regulation. Charles Carry, Acting Head of the Processed Fruits and Vegetables Section of OPA, acquainted the group with the present status of the order, and prospects for its issuance and effective dates. Delays apparently will hold this important regulation off until early next week.

He discussed the simplified procedure for individual increases (published in last week's INFORMATION LETTER), and detailed the allowable wage rate increases provided for in the new regulation.

The regulation provides that an increase in basic wage rate schedules will be considered to have occurred only if the single rate, or the midpoint in the range of rates for unskilled female labor has been increased, subject to approval by the War Labor Board or under the authority given in General Order 30. (See page 8732 of the LETTER for August 11).

Changes in Price Order

Among changes in the regulation, Mr. Carry mentioned that the maximum prices determined under Section 10(c) and (d) of Supplement 7, including those automatically approved upon the expiration of the 30-day period provided in the regulation, continue in effect, except as indicated below. These 1944 ceilings are to be adjusted, where appropriate, for approved increases in basic wage rates. The new regulations are to provide median prices for certain products. However, where these median prices are provided, where ceilings can be computed by use of the new differentials provided, and in the case of tomato juice, the prices authorized last year under Section 10(c) and (d) will be superseded by the new pricing sections.

The new regulation, in the appendix for each product, will specify what item is to be selected as the base period item in making conversion where the processor did not have a base period price for a particular item. For example, if a processor does not have a base period price for Extra Standard 4-sieve Alaskas, the new regulation will specify which of the base period prices that he has should be used in determining the ceiling for that item.

Mr. Carry disclosed that tomato juice is to be band-priced under the new regulation.

The discussions developed that one of the most difficult phases of meeting the requirements of the new price regulation, and the one on which the canners will need the most time, is the necessity of refiguring base prices from the very beginning of their 1941 pack.

The time element was considered by the Committee to be one of the most important features with regard to issuance of the regulation and the canners therefore officially requested OPA to make the new regulation effective as promptly as possible after issuance, in a motion by Harold Bachelder, seconded by Scott Holman.

The problem of canners figuring their 1945 prices within the 5-day period between dates of issue and effective date was discussed at length by the Committee. Mr. Carry stated that the preliminary calculations that canners should make to facilitate prompt computation of their prices on receiving the regulation, are tied up with the new requirements for calculating base period prices. These requirements, as stated by Mr. Carry, were as follows:

Beginning of 1941 Pack; Determination of Base Prices

"Beginning of the 1941 pack" means the date on which the processor first began his 1941 pack of the particular product, as distinct from his pack of the particular item of the product, on the one hand, or his pack of the principal raw material used in the product, on the other. However, as to some of the products covered by section 5, the applicable appendices establish the beginning of the 1941 pack in each case as the date on which the processor first began his pack of the specified variety.

Section 5 (a)(1)(i) determine the base price. First, the processor shall figure his weighted average price per dozen containers or other unit, f.o.b. shipping point, for the item being priced during the first sixty days after the beginning of the 1941 pack of the product or other base period named in the appendix covering the particular product. (This weighted average price shall be called the "base price.") "Weighted average price" means the total gross sales dollars charged for the item during the base period divided by the number of dozens of containers or other units of that item sold. All sales contracts made in the regular course of business during the base period shall be included, regardless of the year of pack or of the date of delivery. Sales contracts made at times other than during the base period shall not be included, even though delivery was made during the base period. However, the following sales contracts shall be excluded, even when made during the base period: Sales to the armed forces of the United States; sales by a processor to his employees, to growers who supplied the raw material, or to other processors, unless at least 33⅓ per cent of his 1941 pack was sold to other processors; sales of damaged goods or of goods packed for experimental purposes; and sales to retailers or institutional users in quantities of less than 25 cases (basis No. 2 cans for vegetables and basis No. 2½ cans for fruits), unless at least 10 per cent of the processors 1940 or 1941 pack of the product was sold in such lesser quantities.

The processor shall figure a separate weighted average price for each item, except as otherwise provided in a particular appendix, and except that a single weighted average price shall be figured for items which differ only in brand names. (Subgrades shall also be ignored.) In figuring weighted average prices during the base period, the processor may, if he wishes, figure a single weighted average for any group of factories located in the same pricing area. For this purpose, the processor shall include all sales contracts (as described above) made during the first sixty days after the beginning of the 1941 pack of the product, or other applicable base period, at each factory included in the group.

At the Sunday afternoon session, Geoffrey Baker, Director of OPA's Food Price Division, told the committee that OPA was ready to suspend price controls on any item or group of items, provided the product to be suspended is selling below ceiling prices and would likely continue to sell below ceiling prices for 90 days or more. He said this policy is in line with President Truman's executive order on reconversion, and that it would be carried out just as fast as it can be placed in effect.

"Before we suspend ceilings on a particular canned food item or group of items, we won't necessarily require that all brands, grades, and sizes of this item or group sell below ceiling prices," Mr. Baker said. "We will suspend ceilings in all cases where the general level of prices falls below the established maximum prices." He pointed out that OPA must have accurate information regarding selling prices in order to determine whether or not an item should be suspended from price control.

Mr. Baker emphasized that suspension of price controls on eligible products is an effective means of giving a public demonstration that the Government is abandoning price control; it saves work for the OPA staff; and it provides an orderly manner for the complete removal of price control.

Ceiling prices may be increased on any item where such an increase becomes necessary to insure full production or full employment, whether or not it might cause an increase in the general level of prices, Mr. Baker stated.

The OPA food price chief said that plans for OPA's economic study of the canning industry profits are going forward. In the event there is price control on the 1946 pack, the study will be needed in calculating next year's prices. "On the other hand," Mr. Baker stated, "it is conceivable that the whole study might be dropped."

In a discussion of the proposed 1945 pricing order, Mr. Baker emphasized the point that OPA was trying to clear up the inequities which existed in last year's prices. He said that while maximum prices are based on national averages, OPA did not intend to penalize and one area or individual canner.

Tin Supply Being Surveyed

Glenn E. Knaub, Administrator of the Food Section, Conservation Order M-81, reported that the availability of tin for containers is the subject of a current survey and that no alleviation of the order can be expected for at least the six weeks he estimates it will take to complete the study. Several unknown factors must be filled in, Mr. Knaub stated. It is reported that the British and Dutch destroyed the Malay Straits tin mining equipment during their retreat early in the Pacific War. It must be ascertained whether the Japanese occupation forces restored any of this equipment, whether they produced any tin and if so, whether a stockpile will be found by Allied troops reoccupying the islands and peninsula.

The pre-war tin operations in that area utilized 300 dredges. At present there are two dredges in Australia, which the Navy will move in. Mr. Knaub stated it is estimated that some small dredges can be produced in a year's time, but that about five years would be required to get the operation back to normal.

He announced that the Foreign Economic Administration has arranged for trade goods to be moved in for purposes of supplying the native mine workers.

In reply to questions by Dr. E. J. Cameron of the Research Laboratory and canners present who have been close to the container situation, Mr. Knaub reported that the U. S. stockpile of 23,000 tons is available for 1946 allocation. This must be cautiously allocated, he argued. Certain other conservation measures are under consideration. One of these is the possible use for evaporated milk of ¾-lb. electrolytic plate, which it is estimated would save about 800 tons of tin.

As a measure of the effectiveness of conservation measures taken by the War Production Board, Mr. Knaub pointed out that since the start of the war and on the basis of an estimate of the year's end figure, 58,000 tons of tin will have been saved. Prewar consumption was from 70 to 75 thousand; consumption in 1944 amounted to 86,000 tons and 1945 looks like it will reach about 90,000 tons, he said. Tin can salvage programs recovered roughly 4,000 tons per year. He reported that the biggest tin use in 1944 was in the Navy Maritime program with cans and closures second largest. In 1940, Mr. Knaub said, about 20 billion cans utilized 34,700 tons of tin; in 1944 approximately the same number of cans utilized 17,800.

It was moved by Walter Graefe and seconded by Harry E. MacConaughey that Oliver Willits be designated by the Planning Committee to present Secretary of State Byrnes with a plea for full assistance in efforts to restore the tin production of the Straits Settlements at the earliest possible moment.

In continuing his report Mr. Knaub stated that though WPB wants to eliminate M-81 as soon as possible, the line will be held, unchanged, until the survey of the situation has been completed. Accordingly, the same can sizes and quotas will be maintained for this year.

Discussion of postwar decisions by the industry as to the number of can sizes it will use after M-81 controls are lifted, followed, and it was moved by Mr. MacConaughey and seconded by Norman O. Sorensen that the Planning Committee instruct the Association's Committee on Simplified Containers to gather data on this subject from canners and can manufacturers and have a prepared report for submission to the next meeting of the Administrative Council and Board of Directors.

Hardigg Speaks on Set-asides

Major General Hardigg, principal speaker at Monday's luncheon session, promised the canning industry the continuance of a policy which he said "would assure canners fair prices" and he requested the industry to cooperate with the Army by shipping promptly. He emphasized that the Army was encountering too many delays in receiving shipments from canners. The General was warm in his praise of the canning industry, declaring that canners went all out during the war to provide the great quantities of food required by our armed forces.

General Hardigg announced that there would be cutbacks in the canned food set-asides (see page 8745 for story and percentages) and indicated that these likely would be the last cutbacks this year. He said that it was anticipated that there would not be any set-aside restrictions on the 1945-46 canned citrus pack.

At the conclusion of General Hardigg's talk, the committee gave him a rising vote of thanks as an expression of goodwill which has been felt between the General's staff and industry during the war era.

General Hardigg was accompanied by two of his aides, Colonel Larry Giles, and E. Norton Reusswig, QMC Consultant.

H. Thomas Austern of Association Counsel discussed the subject of the expiration of various wartime statutory controls on the canning industry, pointing out that the usual provision is a flat time limit which may be shortened if the President proclaims the end of the war or if Congress does so by concurrent resolution, before the specified termination date.

Rationing in part and all War Manpower controls are the only two war statutes that have so far been removed, and no war statutes have yet been ended, Mr. Austern pointed out. He discussed President Truman's executive order (reported elsewhere in this issue) and the policies it enunciates, namely, achievement of maximum production, and continuation of stabilization by the war agencies and departments as transitions are made from war to peace. The executive order, Mr. Austern said, enjoins the agencies during reconversion to use all powers to avoid inflation or deflation. For example, transitional pricing regulations are to take all steps to see that the cost of living and the general level of prices shall not increase.

As to wages, the National War Labor Board is permitted to allow employers to make salary or wage increases without approval providing such increases do not increase price ceilings, or government procurement costs.

Following discussion of impending legislation by both Mr. Austern and Walter Graefe, Chairman of the Legislative Committee, it was moved by Harold Bachelder and seconded by Harry MacConaughey that the Planning Committee request the Legislative Committee to take such action as it deems appropriate in opposition to passage of S. 1282, in case timely action is called for prior to the next meeting of the Administrative Council and Board of Directors. This is the measure to amend the Fair Labor Standards Act by raising the minimum wage rate and eliminating the 7(c) 14-week unlimited hours overtime exemption of food processing industries. (See INFORMATION LETTER No. 1046, July 21, 1945.)

SIZEABLE REDUCTIONS IN CANNED FOOD SET-ASIDES

Canned Vegetable Requirements Cut 44 Per Cent; Fruits Reduced 46 Per Cent by Order

Government requirements for canned vegetables were slashed 44 per cent under estimates of less than 2 months ago and canned fruits were cut 46 per cent by an amendment to War Food Orders 22.8 and 22.9 issued yesterday by the U. S. Department of Agriculture. The cut in the set-aside reflects a reduction of 13,700,000 cases (basis No. 2½'s) in the Army's requirements for canned fruits, and 39,000,000 cases (basis No. 2's) in its requirements for canned vegetables.

The Army's reservation for canned fruits now totals 17,300,000 cases as compared with 31,000,000 cases before the Japanese surrender, while the set-aside on canned vegetables totals 45,000,000 cases as against 84,000,000 cases earlier.

In addition to the drastic reductions in the set-aside on all items except asparagus, which remains the same, the War Department requested that sweet cherries, lima beans, tomato juice, and tomato puree be removed from set-aside restrictions, as Army purchases of these items in the future will be made on the open market.

Canners are instructed to stop purchases of V-boxes and sleeves.

Under the new order, canners will not have to set aside a specified per cent as a contingency reserve, as this type of reservation has been abolished. All reservations are total reserves indicating that the Government intends to purchase the total quantity being set aside. A comparison of the specific, contingency, and total reserves placed in effect on June 30, as compared with the new total reserves effective August 24, are as follows:

Revised Set-aside Percentages

CANNED FRUITS AND FRUIT JUICES

Product	Percentage of base pack			
	Specific reserve	Contingency reserve	Old total reserve	New total reserve
Apples	72	8	80	54
Applesauce	42	6	48	24
Apricots	58	3	61	45
Berries	90	10	100	62
Blueberries	130	10	140	85
Cherries, sweet	22	3	25	0*
Figs	75	5	80	48
Fruit cocktail	42	10	52	18
Peaches	50	10	60	21
Pears	70	10	80	51
Pineapple	56	10	66	42
Pineapple juice	26	10	36	20
Plums and prunes (fresh and Italian)	22	3	25	0*

* Indicates that this item has been removed from the restrictions of the set-aside order.

CANNED VEGETABLES AND JUICES

Asparagus	61	4	65	65
Beans, lima	31	3	34	0*
Beans, snap	43	7	50	28
Beets	40	6	46	27
Carrots	85	10	95	44
Corn, sweet	36	6	42	19
Peas	33	5	38	18
Potatoes, sweet	41	6	47	36
Pumpkin or squash	38	6	44	26
Sauerkraut	33	7	40	24
Spinach	69	7	76	47
Tomatoes	55	8	63	36
Tomato catsup	31	6	37	12
Tomato juice	10	6	16	0*
Tomato paste	25	3	28	22
Tomato puree	19	3	22	0*

* Indicates that this item has been removed from the restrictions of the set-aside order.

Meat Set-asides Suspended

Continuing the move to increase civilian food supplies as rapidly as changing requirements permit, Secretary of Agriculture Clinton P. Anderson on August 18 announced indefinite suspension of the government set-aside on beef, veal and hams. Pork loins, shoulders and lard will remain under set-aside for the time being. The actions became effective August 19, under War Food Order 75.2 covering beef, War Food Order 75.4 covering veal, and Amendment No. 22 to War Food Order 75.3 covering pork.

Purchase of the items removed from set-aside will now be made on the open market.

Some Salmon Set-asides Lifted

Set-aside restrictions have been removed on all canned salmon designated in Class 1 of War Food Order 44, effective and retroactive to July 28. The action, which was taken through the issuance of Amendment 13 to WFO 44 on August 24, will make available to the civilian market about 7,500,000 pounds of canned salmon, most of which will be packed in one-half pound flats. Salmon included in Class 1 are defined in the order as follows:

King, chinook, or spring (oncorhynchus tschawytscha) and red, sockeye, or blueback (oncorhynchus nerka) packed in the continental United States.

Special Truck Allocation Made

The Surplus Property Board has allocated 2,107 trucks to farm areas in nine States to offset threatened impairment of farm production due to shortages of rail transportation and automotive facilities.

The States benefiting by these special orders are California, 520 trucks; Texas, 902; New York, 63; Wyoming, 99; Kansas, 89; Oregon, 180; Massachusetts, 80; Ohio, 100; Oklahoma, 74.

WAGE, SALARY CONTROLS RELAXED BY GOVERNMENT

Presidential Order Changes Treasury and NWLB Regulations

Regulations were promptly issued by the Treasury and the National War Labor Board to carry out the President's authorization of August 18 to relax wage and salary control. By Executive Order No. 9599 the President had permitted these agencies to authorize wage and salary increases without approval if the increases would not be used to request a price ceiling or to resist ceiling price reductions or to increase Federal procurement costs. In accordance with this permission the National War Labor Board issued General Order No. 40 on August 20 and the Treasury modified its regulations on August 22.

These new regulations of the Treasury and the National War Labor Board now provide that an employer can immediately make a wage or salary increase in any form, such as increased bonuses, increased basic wages, increased commissions or increased incentive pay, without prior Government approval *if* the employer absorbs the increases. If the employer does not desire to absorb the increased costs resulting from wage and salary increases, then it is necessary for the employer to continue to obtain approval of proposed increases from the Treasury or the National War Labor Board and the Office of Economic Stabilization.

In addition, where the employer decides to absorb these increased wages and salaries without changing his prices or costs of articles sold to the Government, the increases may be made retroactively effective to any date selected by the employer.

Both the Treasury and the National War Labor Board regulations specifically provide that this change of policy does not validate past wage and salary actions taken in violation of the former wage and salary regulations.

In view of the requirement that these increases must be absorbed in order to make them without Federal approval, canners should note that under these new regulations increases made without approval may not affect in any way ceiling prices for the 1945 pack.

Farm Machine Tires Unrationed

Rationing of all farm-implement tires ended at midnight August 20, but truck and passenger car tires remain rationed, according to OPA.

Jenkins Demands Removal of All Food Controls from OPA

An official criticism of Secretary of Agriculture Clinton P. Anderson's administration of his new office, which includes a demand for removal of food activities from the Office of Price Administration, has been made by Congressman Thomas A. Jenkins, of Ohio, Chairman of the Republican Congressional Food Study Committee. Congressman Jenkins' statement follows:

Now that the war is over and readjustment confronts the Nation, the food problem must be given immediate consideration.

Nearly two months ago Congress, spurred on by universal complaint of the people against the manner in which the food activities were carried on by the OPA, amended the OPA Act in very definite language. Congress gave Clinton Anderson, the Secretary of Agriculture, complete authority to clean up this disgraceful mess against which the whole country has been protesting for many months. To this date he has done nothing effective in spite of his numerous radio talks and his wide-flung publicity. Conditions are worse today than they have ever been. Many new and serious situations are constantly arising.

As Chairman of the Republican Congressional Food Study Committee, I protest against this inaction and demand that the Administration admit and acknowledge its bungling and failure and proceed immediately to take all food activities out from under OPA control.

The removal of rationing of canned fruits and vegetables is a step in the right direction. Fallacious policies heretofore pursued must cease. Food is vital. Everybody must eat. Incompetent persons, of which there are thousands, attempting to administer the food situation, should be replaced immediately. The greatest possible production should be encouraged.

Although the law which Congress passed a short time ago specifically required special consideration for the benefit of small slaughterers, nothing has been done in this connection. In fact, the Secretary of Agriculture has added additional burdens on the small slaughterers. The grocers and bakers of the country are not criminals. The American housewife has stood in line long enough. I am glad that Congress is coming back into session immediately because the people are terribly distressed by reason of present conditions.

Notice to Milk Canners

The U. S. Department of Agriculture announced August 17 that all milk hereafter offered for sale to the Commodity Credit Corporation is preferred packed in the regular domestic can, bearing the vendor's own commercial label, and packaged in either the V3c or V3s case. However, consideration will be given to offers of milk packed in the stronger cans and cases if such packaging is for the purpose of clearing inventories, USDA said.

In submitting future offers vendors shall state that offers are subject to the terms and conditions of Announcement Awd-452 and Amendment No. 1. In addition to the information required by the announcement and amendment the type of can and type of case shall be shown.

USDA is also interested in amending present contracts calling for the delivery of milk packed in any one of the reinforced cans and packaged in V2 cases. Canners in a position to substitute the domestic can and the V3 case, are requested to get in touch with USDA.

Frozen Fruit and Vegetable Stocks Held in Cold Storage

Stocks of frozen fruits in cold storage on August 1, 1945, totaled 238,746,000 pounds against 169,518,000 on July 1, 1945, and 214,460,000 pounds on August 1, 1944, according to the U. S. Department of Agriculture. Frozen vegetable stocks on August 1, 1945, were 131,819,000 pounds as compared with 91,029,000 on July 1, 1945, and 138,772,000 on August 1, 1944. The following table furnishes details by commodities:

Commodities	Aug. 1, 1944	July 1, 1945	Aug. 1, 1945
	1,000	*1,000*	*1,000*
FROZEN FRUITS	*lbs.*	*lbs.*	*lbs.*
Apples	8,433	36,561	30,612
Blackberries	4,997	4,585	7,777
Cherries	47,155	9,551	26,925
Young, Logan, Boysen	10,491	3,392	11,013
Raspberries	17,569	4,333	16,449
Strawberries	32,640	38,131	39,163
Grapes	3,818	6,222	4,819
Plums and prunes	3,050	4,298	4,079
Peaches	3,220	10,277	13,682
Fruit juices and purees	11,766	15,513	19,451
Apricots	.....	3,895	18,998
Blueberries	.....	1,713	1,582
All other fruits	71,321	31,047	44,196
Total	214,460	169,518	238,746
FROZEN VEGETABLES			
Asparagus	6,220	14,530	12,716
Beans, lima	1,734	3,921	1,901
Beans, snap	6,441	4,862	3,828
Broccoli	3,114	4,197	2,441
Cauliflower	1,212	1,609	982
Corn, sweet	2,284	5,406	3,167
Peas, green	51,413	17,107	70,525
Spinach	12,309	15,804	13,466
Brussels sprouts	2,008	1,678	926
Pumpkin and squash	2,901	4,913	3,916
Baked beans	3,734	1,972	1,503
Vegetable purees	520	693	649
All other vegetables	44,873	14,328	15,799
Total	138,772	91,029	131,819

Presidential Executive Order States Reconversion Policies

President Truman on August 18 issued an Executive Order (E. O. 9599) to all government war agencies to follow the policies for reconversion set out in the order. The basic plan announced by President Truman is to prevent any further inflationary increases in ceiling prices and the cost of living while at the same time relaxing wage and salary controls when consistent with price control, and removing War Production Board restrictions to facilitate rapid transition to a peace-time economy. War agencies moved quickly to put the order into effect.

The President declared that the guiding policies of the Administration are to aid maximum production for domestic and foreign needs, to continue stabilization of the national economy with whatever modification of controls is required to aid reconversion, and to remove war controls as rapidly as possible without hurting the national economy.

To carry out these policies, the President directed the Secretary of Agriculture and others to support farm prices to prevent a collapse of values. The Office of Price Administration was ordered to prevent further increases in the cost of living and the general price level and to make adjustments of price inequities that may hinder reconversion.

Wage and salary increases were authorized to be made under new Treasury and National War Labor Board regulations without prior approval if the employer absorbs the increases (see article elsewhere in this issue). Otherwise, the existing requirements of Federal approval of labor increases raising prices are to be continued.

WPB was ordered to remove production and distribution controls on business as rapidly as possible. WPB is now to use its various powers to stimulate reconversion while preventing hoarding, undue concentration on high priced items and economically undesirable practices in the transition period.

Blanket WPB Control Revocation

A single blanket revocation issued by the War Production Board August 20 removed controls from 210 manufactured items. The revocation program is continuing, WPB stated, and is expected to lift prohibitions or restrictions on the manufacture of all but 40 items under WPB conservation.

Of the items announced thus far the following are used in the canning industry:

Citric acid, steel shipping drums, wooden shipping containers, paper cups and paper food containers, and laboratory equipment.

Revocation of controls of these products became effective August 22.

Grower Prices for Freestone Peaches Set by USDA and OPA

An average grower price of $60 per ton for freestone peaches will be used in constructing processors' ceiling prices for processed freestone peaches in all of the States for which grower prices for freestone peaches for canning and freezing have not been previously announced, the U. S. Department of Agriculture and the Office of Price Administration state.

Grower prices have been previously announced for the Southeastern States and the Western States, consequently the $60-per-ton price will cover the following States and all States east and north thereof: North Dakota, South Dakota, Nebraska, Kansas, Missouri, Illinois, Indiana, Ohio, West Virginia and Virginia. This price is the same as that used last year in those States.

If the average price paid by any processor for the raw fruit, however, is less than $60 per ton, his ceiling prices for the processed products will be based on the actual average price paid. In order to participate in the Department of Agriculture's guaranty purchase program for canned peaches, announced March 26, canners must pay for each purchase of peaches for canning not less than $60 per ton.

The $60-per-ton grower price for peaches is at the grower's customary delivery point and refers to the grade that is customarily contracted for and received by processors in each area. It is based upon the customary grading procedure and the customary tolerances for fruit not meeting contract specifications.

Carry Acting Head OPA Section

Charles Carry, whose appointment as Acting Head of the Processed Fruits and Vegetables Section, succeeding Col. George V. Rountree, resigned, was announced in last week's INFORMATION LETTER, has been with that agency since May 26, 1943. At that time he left the National Canners Association and took office with OPA as a business specialist.

Prior to his service with N.C.A. Mr. Carry had 10 years' business experience in New York City.

Effective Date Changed for Increase of Tomato Subsidy

Director of Economic Stabilization William H. Davis on August 20 issued Amendment 1 to Directive 60 making July 5 the effective date for the previously announced increase in the subsidy rates on canned tomatoes instead of the May 1, 1945, effective date, stated in the original subsidy announcement for canned vegetables and inferred by the joint USDA-OPA press release of July 5. (See INFORMATION LETTERS for June 30, July 7, and August 4, pages 8675, 8685, and 8719.) The directive makes all deliveries of canned tomatoes delivered prior to July 5 ineligible to receive the incentive increase of 6 cents per dozen (basis No. 2's) regardless of whether the sales were made to government procurement agencies under adjustable pricing or in civilian trade channels.

A new paragraph 3 is added to the directive as follows:

(3) With respect to canned tomatoes only, the Office of Price Administration and the Department of Agriculture are further authorized and directed to increase the maximum prices fixed under (1)(c) and subsidy payments under (2)(a) by an amount equivalent to 6 cents per dozen No. 2 cans with appropriate adjustments for other container sizes, such adjustments to become effective as of July 5, 1945.

Grower Prices for Prunes for Canning and Freezing Are Set

An average grower price of $55.00 per ton for fresh prunes will be used in constructing processors' ceiling prices for their 1945 packs of canned, frozen, and preserved fresh prunes the U. S. Department of Agriculture and the Office of Price Administration announced August 21.

The announced price is the same as that used last year. If average price paid by any processor is less than $55.00 per ton, his ceiling prices for processed prunes will be based only on actual price paid, the agencies stated.

To participate in the USDA guaranty purchase program for canned prunes, announced March 26, canners must pay not less than price announced today for each purchase of prunes for canning.

The grower price is at the processors' customary receiving points and is based upon customary procedures and tolerances for defective fruit.

Alaska Salmon Pack Report

The following table, prepared from statistics compiled by the U. S. Fish and Wildlife Service, shows the pack of Alaska canned salmon by regions and varieties, through August 11, 1945, as compared with a similar period in 1944:

Districts	1945 *Cases*	1944 *Cases*
Western Alaska	704,553	1,027,036
Central Alaska	1,914,366	1,807,048
Southeastern Alaska	611,192	860,365
Total	3,230,111	3,694,449
Species		
Red	1,140,528	1,549,005
Pink	1,426,611	1,264,841
Chum	532,324	756,326
Coho	93,647	90,734
King	37,001	33,543
Total	3,230,111	3,694,449

Miss Black Makes Contribution to Good Housekeeping Feature

Marjorie H. Black, Director of the Association's Home Economics Division, was among a group of home economists who contributed to a feature in the September issue of "Good Housekeeping."

The article, entitled "Dinners When You Live Alone," was written by Katherine Fisher, Director of the Good Housekeeping Institute. Miss Fisher invited Miss Black, among others, to provide and describe menus that would be useful for women who live alone and hold an outside job. Each suggested recipe was printed in full along with a reproduction of the contributor's autograph signature.

WMC Survey of Cutback Effects

To provide prompt information on the rapid changes in the labor market resulting from the end of the war, the War Manpower Commission will institute immediately a weekly survey of employment based on the public employment office activities in the nation's 166 principal labor market areas, Paul V. McNutt, WMC Chairman, announced August 21. The surveys will show the extent to which cutbacks have affected employment and the number of job openings available in each area.

Mr. McNutt said that the surveys will be based on area reports to be drawn up at the close of business each Friday. Regional directors have been notified that they should be in the hands of the WMC in Washington by the following Monday. The information will be made public as soon as it is received and correlated by WMC, as a means of providing a current overall view of the employment situation.

Supplement to

"COMMODITY LINE" REORGANIZATION OF USDA PLACES ALL CANNING PROGRAMS UNDER SINGLE ADMINISTRATION

Hutson Named Administrator; E. A. Meyer Made Director of Fruit and Vegetable Branch

Department of Agriculture activities that will affect the canning industry have been consolidated under a newly-created Production and Marketing Administration headed by Under Secretary John B. Hutson, with G. G. Armstrong as deputy administrator. Announcement of this and other changes brought about in the general reorganization of USDA was made by Mr. Hutson at the meeting of the N.C.A. Planning Committee in Washington, August 18. PMA consolidates more than a dozen offices and other agencies of USDA, among them the Fruit and Vegetable Branch, with E. A. Meyer as director and S. R. Smith as associate director.

The new administration began functioning August 20 with the following officials in charge:

R. W. Maycock, assistant administrator for fiscal and administrative control; C. W. Kitchen, assistant administrator for regulatory and inspection work, and Col. R. L. Harrison, as assistant administrator for inventory management. Staff officers are J. B. Hasselman, director of information; H. B. Boyd, director of price; D. A. FitzGerald, director of requirements and allocations; and E. B. Black, transportation officer.

PMA consists of 10 commodity branches, a number of functional branches and an over-all field service branch. It also includes the Commodity Credit Corporation and the Federal Crop Insurance Corporation.

The various branches which will handle canning programs together with their directing heads are as follows:

Livestock, H. E. Reed; Dairy, T. G. Stitts; Poultry, T. G. Stitts; Fats and Oils, W. H. Jasspon; Fruit and Vegetable, E. A. Meyer; Sugar, E. B. Wilson; Grain, C. C. Farrington; Special Commodities, M. L. Brenner; Field Service, N. E. Dodd; Food Distribution Programs, P. C. Stark; Materials and Equipment, F. B. Northrup; Shipping and Storage, H. B. McGrew; Marketing Facilities, W. C. Crow; Labor, Col. W. R. Bule; and Compliance and Investigation, J. M. Mehl.

As Administrator of PMA, Mr. Hutson will also serve as president of CCC.

PMA consolidates into a single unit of USDA the following: The Office of Basic Commodities, the Office of Supply, the Office of the President of the Commodity Credit Corporation; the Offices of the Manager and the Secretary of the Federal Crop Insurance Corporation, the Office of Marketing Services, the Agricultural Adjustment Agency, the Office of Requirements and Allocations, the Office of Price, the Office of Transportation, the Office of Materials and Facilities, the Office of Labor, the Office of Home Food Supply, the Office of Investigatory Services, and the Federal Surplus Commodities Corporation which is in the process of liquidation.

Under the new organization, it is contemplated that eventually the field offices of the Agricultural Adjustment Agency, the Office of Supply and the field personnel of the Office of Marketing Services will be consolidated into State offices under a State director of Field Service for the Production and Marketing Administration.

Army to Release Surplus Cans

Termination of Army contracts for tin cans are expected to result during the next few weeks in the accumulation of a large number of odd and various size cans formerly used by the Army in the transportation of foods and equipment to combat areas. While many of the cans will not be suitable for packing food, or at least all kinds of food, canners may still find use for a considerable quantity of the cans.

Can suppliers can furnish canners with information as to the desirability of using the surplus cans for packing the various items they may wish to pack.

Canners interested in using any of the cans being declared surplus by the Army should communicate with Glenn E. Knaub, Administrator of the Food Section of Conservation Order M-81, War Production Board, requesting permission to purchase and use the surplus cans, since use of these cans also are restricted under the terms of M-81. Before Mr. Knaub can act on canners' requests, however, he will have to have full information as to the size and quantity of cans being acquired, and the purpose or purposes for which they will be used.

It is believed that canners will have a better chance of obtaining permission to use cans for packing those items now granted unlimited tin under the terms of M-81.

Dehydration Contracts Cut

The War Department this week announced the termination of contracts for canned, processed cheese totaling 600,000 pounds; 4,883,000 pounds of dehydrated onions; and 1,604,000 pounds of dehydrated carrots.

Earlier termination of contracts for 9,634,000 pounds of dehydrated sweet potatoes and 63,907,000 pounds of dehydrated white potatoes was rescinded pending proposed transfer of the Army's contracts for those two items to other government agencies.

Officials explained that the removal of dehydrated onions and carrots and later sweet potatoes and white potatoes from the Army's procurement schedule represents a reduction of 80,000,000 pounds of dehydrated food. This is a 40 per cent cut in the over-all total which the Army had scheduled to take from 1945 production.

LEND-LEASE DISCONTINUED

FEA States It Will Sell Approximately $1,200,000,000 of Food Abroad

President Truman directed the Foreign Economic Administrator to discontinue all Lend-lease operations on August 21. He also directed that all outstanding contracts for Lend-lease be canceled, except where allied governments are willing to take them over, or where it is to the interest of this country to complete them.

FEA further was instructed to negotiate with Allied governments for possible procurement by them of Lend-lease inventories now in stockpile and in process of delivery.

Administrator Leo T. Crowley immediately announced plans for selling an estimated $1,200,000,000 of Lend-lease food abroad. He stated that it would be offered under contracts calling for payment over 30-year periods with interest at 2⅜ per cent, amortization to begin the first year.

He said that approximately $1,500,000,000 of material and food is in stockpiles abroad or "in the pipeline," and estimated that $400,000,000 of the total is food. Another $2,000,000,000 of Lend-lease goods is in the United States, either in process of delivery or manufacture, or in storehouses, he said, estimating that $800,000,000 of that amount is in food.

USDA to Have Potatoes Canned

Canners in the New England and eastern Atlantic States have been notified by the U. S. Department of Agriture that the Commodity Credit Corporation will now receive offers from these canners to process white potatoes into canned white potatoes in accordance with the terms of USDA Form PBO 499. Offers must be submitted to the Price Support and Procurement Branch, Commodity Credit Corporation, U. S. Department of Agriculture, Washington 25, D. C., not later that 5 p. m., EWT, August 28.